

FTC Sues Large Gym Chain over Cancellation Policies

August 25, 2025 | Robert D. Tilley and Kristen Yarows

HIGHLIGHTS:

- The Federal Trade Commission's ("FTC") lawsuit against a large, nationwide gym chain (the "Gym") over its cancellation policies follows about a week after the FTC's settlement with an online dating company over similar cancellation policy issues.
- The FTC continues to prioritize enforcement of cases involving cancellation policies, despite the Eighth Circuit decision vacating the <u>FTC's "click to cancel" rule in July.</u>
- In addition to making it difficult for consumers to cancel their gym memberships, the FTC's complaint alleged that the gym failed to notify customers that they could cancel add-on products and services while keeping their memberships.

CASE SUMMARY:

On August 20, 2025, the FTC filed a complaint in the U.S. District Court for the Central District of California, alleging that the Gym violated the FTC Act and the Restore Online Shoppers' Confidence Act (ROSCA). The FTC's complaint alleged that consumers who sought to cancel their memberships were required to cancel either in-person or via mail. The in-person cancellation required consumers to cancel through specific Gym employees, who often were available only during limited hours. The FTC alleged that the Gym told consumers who sought to cancel their membership via mail that they needed to download and print the cancellation form and send it via certified or registered mail, which caused consumers to incur additional costs. The complaint alleged that these cancellation policies and practices violated the FTC Act's prohibition on unfair acts or practices.

The FTC's complaint also alleged that the Gym failed to notify consumers that they could cancel add-on amenities and services individually (without affecting their membership), in violation of ROSCA.

The complaint seeks a permanent injunction to prevent the Gym from future violations of the FTC Act and ROSCA, monetary relief, and any additional relief as the court deems just and proper.

RESOURCES:

You can review all of the relevant court filings and press releases at the <u>FTC's</u> <u>Enforcement Page.</u>

- Complaint
- Press Release

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